WEALTH 360

OPULENCE WEALTH

BY OPULENCE WEALTH

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WHAT IS AN IDEAL EMERGENCY FUND?

OIL PRICES VS INFLATION

CRYPTO CURRENCY/ VIRTUAL DIGITAL ASSETS TDS RULES 2022

CLIENT CORNER

FINTALK WITH MR. SUTENDRA KUMAR

BUSINESSMAN & A POLYMATH

MONTHLY MARKET GLANCE

Wealth360

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TABLE OF CONTENTS

HOW MUCH SHOULD YOU SAVE FOR AN EMERGENCY FUND?

Whether it's a sudden medical expense not covered by your insurance, an expenditure you cannot avoid making, or an unannounced emergency. Unfortunately, emergencies are not entirely avoidable but saving for a rainy day early on can help you to tide over such a crisis easily.
Not sure, what's the right amount to save for your emergency fund? Here's what you need to know:

What is an emergency fund?

As the name suggests, it is a corpus of funds at your disposal that can be used to overcome an emergency. Any expense that falls outside the purview of routine or expected expenditure can be called an emergency expense.
It is distinct from your regular or retirement savings because it should be treated as a safety net you can fall back on when you suddenly need liquid funds. In fact, having a standalone emergency fund also ensures that you don't liquidate other long-term savings.
Anyone planning to save for an emergency fund should understand there is no one-size-fits-all. No two emergencies are the same and what's the ideal amount to save depends largely on your lifestyle and how much you can afford to save.

What is the ideal amount for an emergency fund?

As a rule of thumb, most personal finance experts recommend saving anywhere between three and six months' worth of expenses. However, this is not the ideal amount for everyone. For instance, if you have a steady source of income, don't have too much debt, don't have anyone who's financially dependent on you, and your expenses are relatively fewer, you can get by with saving only worth three months' expenses. But if you don't have a stable job, have kids or spouse/parents who are financially dependent on you, your daily expenses are justly high, etc., you'd need to save at least six months' worth of expenses. The best way to work out how much you should save is by taking into account your risk factors and calculating the monthly expenses that you'd still need to pay for even in an emergency. And once you know the minimum amount you'd need every month to get by during an emergency, you can multiply that with the number of months you would need to save for. For example, ***if your monthly expense is INR 1,00,000 and you need an emergency corpus for three months, you need to save INR 3,00,000.*** If manual calculations are not your cup of tea, you can try out one of the online calculators available. You need to answer a few questions to get the calculator to come up with the optimal amount you need to save. You can also adopt a two-step approach to save for an emergency fund. If it feels too overwhelming to save such a big amount every month, set a smaller goal and save towards that. Once you hit the goal, increase the saving amount. Doing so will help you get comfortable with the idea of saving.

Where should you invest?

First up, your emergency funds should be available for immediate withdrawal. That's why parking your money into schemes where you cannot exist before the expiry of a specific time period or have to penalty for early exit is not advisable. Spreading your emergency fund across short-term RDs, debt mutual funds, and other liquid funds is an excellent way to go about it. When investing in mutual funds, check whether the fund house provides an instant redemption facility to have access to your money any time you want. It is also important to pick saving avenues that will give you a high-interest rate. Make sure that your returns are higher than what a regular savings account or fixed deposit offers. Lastly, it is not advisable to park your funds in extremely high-risk instruments for emergencies. Building slowly and consistently is more important than trying to make your corpus overnight with a real risk of losing it all. Always remember that an emergency fund cannot be created in a blink of an eye. As long as you are making progress, you are doing fine.

CRYPTO CURRENCY / VDAs TDS RULES 2022

Cryptos or VDAs TDS Rules and Regulations applicable from 1st July 2022.

A few days back CBDT (Central Board of Direct Taxes) issued new rules and guidelines on TDS that need to be deducted for all transactions related to Cryptocurrencies and Virtual Digital Assets (VDA) with effect from 1st July 2022. We all know that Govt of India has imposed a crypto capital gains tax in recent budgets. However, crypto currency investors or traders felt that this is only a year-end activity. CBDT's new rules and guidelines on TDS on Crypto and VDA are something they need to watch going forward. Below we would provide Crypto Currency or Virtual Digital Assets TDS Rules and Regulations applicable from 1st July 2022.

Crypto or Virtual Digital Assets (VDA) TDS Rules 2022

1) CBDT has issued Crypto or VDA TDS rules which are effective from 1st July 2022.

2) As per the new law, every purchaser of VDA / crypto is required to deduct 1% of the amount paid to the seller.

3) This Crypto / VDA TDS needs to be deducted at the time of credit of amount or at the time of payment to the resident individual whichever is earlier.

4) TDS needs to be deducted by the buyer if it crosses an efficacious amount indicated by CBDT. Refer next section about this limit.

CRYPTO CURRENCY / VDAs TDS RULES 2022

Cryptos or VDAs TDS Rules and Regulations applicable from 1st July 2022.

When is Crypto / VDA TDS applicable?

It is applicable only in the case of the following:

1) If the amount paid by a specific person (which is the buyer) crosses Rs 50,000 in a financial year.

2) Any amount paid by any other person (who is not a specific person) crosses Rs 10,000 in a financial year.

Definition of the specific person: Below individual would fall under this.

1) Any individual or HUF who does not have income under the head “profits and gains of business or profession”

2) Any individual or HUF who has income under the head “profits and gains from business or profession”, however, the total sales/receipts/income does not exceed Rs 1 Crore and in case of profits from the profession, it should not exceed Rs 50 Lakhs.

FAQs on Cryptos or VDAs TDS Rules 2022

Q1. From when are these Crypto / VDA TDS Rules applicable?

Cryptocurrency TDS rules are applicable for all transactions done from 1-Jul-2022 onwards. You would have purchased cryptos earlier, however, when you are selling in the future, you would see TDS coming into the picture.

Q2. Who has the accountability to deduct TDS in Cryptocurrencies / VDA trading or investing?

The accountability of deducting TDS lies with the buyer of the cryptocurrencies. The TDS amount needs to be deducted before the amount is credited to the seller.

Q3. Who would deduct TDS if VDAs are sold directly to exchanges without 3rd party?

If the buyer is selling directly to exchange without further selling to 3rd party, then the buyer needs to deduct TDS and remit the balance amount to exchange.

THE RISE IN OIL PRICES VS INFLATION

What is the relationship between the rise in oil prices and inflation?

Over the last few months, the price of crude oil has increased steadily and is likely to rise further. From the covid induced recession to the Russian-Ukraine war, there are several factors at play.

At the same time, the rate of inflation also has accelerated across the globe, including in India. This seems particularly pronounced for India due to the war between Ukraine and Russia, given that India is heavily dependent on oil exports.

But what is the relationship between the rise in oil prices and inflation?
Let's seize up.

Oil is an important commodity for both domestic and industrial needs. When the price of edible oil increases and a chunk of the domestic budget has to be spent on it, households are likely to have less money available to spend on other things. At the industrial level too, the more expensive crude oil becomes, the more the production cost. Several products in the market use crude oil as their raw material such as petrol, jet fuel, diesel, plastics, cosmetics, cooking gas, and petrochemicals. In other words, when the price of oil swells, it has a ***ripple effect*** and increases the cost of all input materials. A rise in crude oil price in particular impacts the price of all goods made with petroleum products.

THE RISE IN OIL PRICES VS INFLATION

What is the relationship between the rise in oil prices and inflation?

Since the cost of production goes up significantly due to higher transportation, manufacturing, and heating costs, it is passed on to the ultimate consumer, increasing inflation. According to economists, even a 10-dollar increase in the price of crude oil can shoot up inflation by 0.1%. In the Indian context, as Edelweiss Wealth Research notes, the increase in the price of crude petroleum and mineral oils accounted for the sharp increase in wholesale inflation in February 2022 (YoY).

However, to what extent does the rise in oil price impact the production costs depend on how essential oil is for the production of that particular good. At the same time, the rise in oil prices also impacts overall economic growth. Often, an increase in oil prices can bring down the supply of other goods, especially for those where oil is an essential input.

Is oil price movement the best indicator of inflation?

It is also important to keep in mind that only tracking inflation and oil prices to understand the relationship between the two may be misleading. History shows that sudden rises in oil prices have coincided with other economic shocks. One cannot discount other factors that contribute to higher inflation such as robustness of the overall economy, growth rate, and wage growth. So even if oil price keeps rising steadily but the factors are favorable for the economy, there doesn't need to be a spike in the rate of inflation.

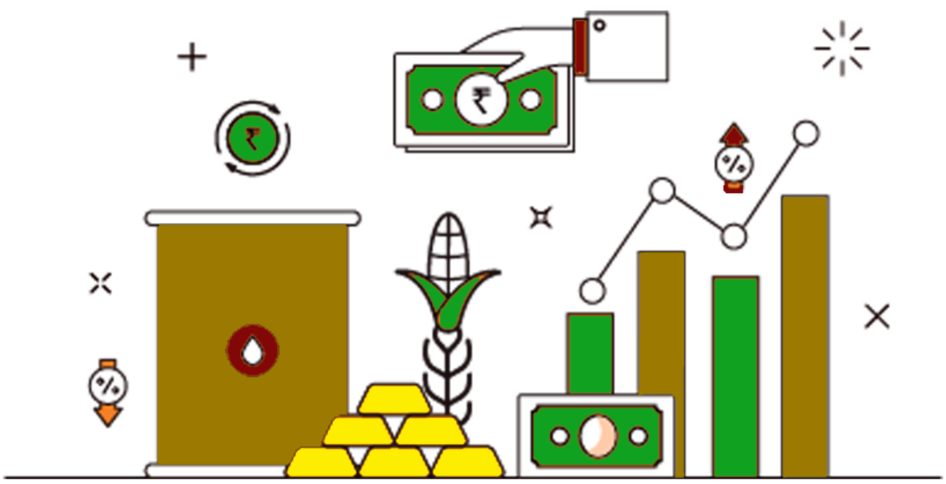
Similarly, as the RBI Governor, Mr. Das recently warned, working on inflation projection assuming the same price of crude oil for the whole year is wrong. A range of prices should be considered as oil prices tend to go exceedingly high or extremely low.

HISTORICAL DATA & CHANGES

Month- June

INDEXES & COMMODITIES	VALUE/PRICE 01 JUNE 2022	VALUE/PRICE 30 JUNE 2022	CHANGE%
BSE SENSEX	55381.17	53018.94	-4.35 %
NIFTY 50	16522.80	15780.30	-4.59 %
BSE MID CAP	23119.65	21713.24	-6.27 %
BSE SMALL CAP	26534.53	24786.42	-6.81 %
GOLD ₹/10GM	50,462.00	50,630.00	+0.33 %
SILVER ₹/01KG	60,638.00	58,850.00	-2.99 %
USD/INR	1/77.52	1/78.96	+1.84 %
BRENT CRUDE (₹/BARREL)	9,042.00	8,660.00	-4.31 %

Note: For general information only and not meant to serve as a professional guide/ investment advice / intended to be an offer or solicitation for the purchase or sale of any financial product or instrument or mutual fund units.



TRADING ANIMAL SYMBOLS IN THE STOCK MARKET

There are a lot of animal symbols that are used to indicate the behaviour of the market and investors.

Animals may not be the first thing that comes to your mind when you think of the stock market. Yet the two are very closely related. There are a lot of animal symbols that are used to indicate the behaviour of the market and investors. Interested to know more? Here's a muster:

Turtle : Keeping in line with the trait of a turtle, this symbol refers to investors who take too long to buy or sell. They do not make too many trades as they are only concerned with getting long-term returns.

They believe in waiting for long-term growth. So even if they notice that the price of stocks they bought a day back has suddenly declined, they don't rush to sell off the investment. Instead, they stay invested because they believe in the embryonic of the company.

Rabbit : This symbol refers to investors who like to stick to their trade for a very short span of time. They complete the trade within a few minutes as they are wary of taking long-term risks. They prefer making profits, albeit small, during the day.

Pig : Pig is used to refer to investors who are too greedy and never satisfied with the returns. They are only out there to earn big and get disappointed when they don't. So even after earning a significant profit, they stay invested hoping they will earn more. But sometimes this attitude can result in making significant losses instead of gains.

Ostrich : Ostrich is known for burying its head in the sand whenever times are favorable. An ostrich investor acts in the same manner — they don't pay heed to adverse market conditions and don't implement any remedial measures to safeguard their investments. They believe that the market will bounce back on its own.

While markets do work in their own way, it is foolhardy to not account for any changes in the market conditions. If the potential of your investment looks bleak and you continue to stay invested, then you behave like an ostrich investor.

TRADING ANIMAL SYMBOLS IN THE STOCK MARKET

There are a lot of animal symbols that are used to indicate the behaviour of the market and investors.

Wolf : As an animal, a wolf is known for its sly nature. A wolf investor also channels similar traits as they resort to unethical means to make profits from the market. It is not surprising that there is a wolf investor behind every big share market scam.

Stag : Stag investors are those who are not really concerned about the behaviour of the market. They are opportunistic and just want to make a quick trade. So they may stock during IPO and immediately sell them off when the shares are listed.

Lame-duck : When an investor ends up with a humungous loss, they are known as lame ducks. The reason for the loss could be them defaulting on their debts or facing bankruptcy after losing their fortune in trade.

Sharks : Such investors lure others to invest in stocks and promise them high returns. However, they manipulate the prices through their own trades and cause price escalation. Then they dump the stocks on retail investors.

Whale : A whale is an investor, often anonymous, who places an unusually large order in the stock market. Whale orders can change the course of the stock and have a substantial effect on market movements as well.

Bull : Bull is one of the most famous references showing a positive market trend. Bullish investors are those who are optimistic about the performance of the market and invest more money which results in stock prices rising.

Bear : A bear is just the opposite of a bull. During a bearish time, the market doesn't perform well and investors become pessimistic.

Chicken : Such investors are extremely risk-averse and panic as soon as tough times set in. out during tough times. As soon as the market becomes slightly bearish, they make impulsive decisions and get rid of their investments

TOP MEMES

Sensex And Nifty Nose Dives As Stock Market Crashes; Netizens React With Hilarious Memes

1

Any inconvenience happens around the world
stock market :

2

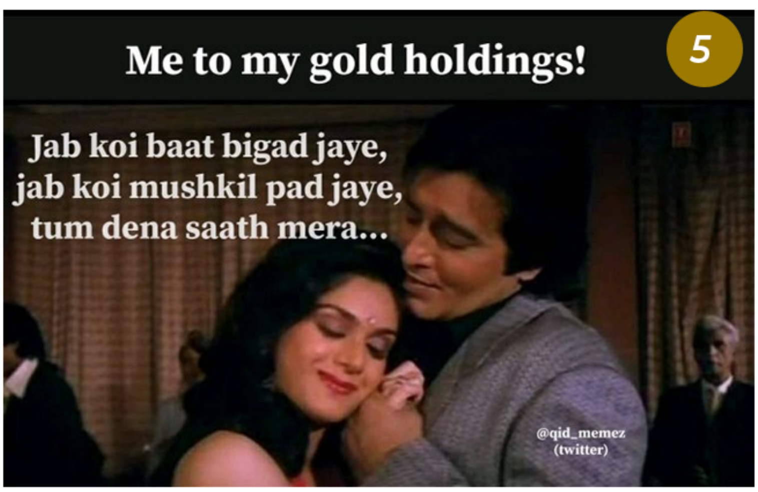
3

Government to salaried people during every budget

4

Me looking at SGX Nifty 😨

5



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You said Buy Crypto No, I said Bye Crypto

UPCOMING NFOs

Upcoming NFOs in July

NFO SCHEMES	NFO WINDOW
EDELWEISS FOCUSED EQUITY FUND	12 JUL 22 - 25 JUL 22
WHITEOAK CAPITAL FLEXI CAP FUND	12 JUL 22 - 26 JUL 22
QUANT LARGE CAP FUND	20 JUL 22 - 03 AUG 22
BARODA BNP PARIBAS FLEXI CAP FUND	25 JUL 22 - 05 AUG 22

OPULENCE CORNER

Mr. Amit Manral(Director) Opulence Wealth, received an award for outstanding Contribution in the FY 2021-22 in an event hosted by ICICI Prudential.

We received the award for our Outstanding Contribution by Aditya Birla Sun Life Insurance.

Mr. Sutendra Kumar- Businessman & Retired Polymath

Q1: After having such a long executive inning, what motivates you on today's date?

Mr. Kumar: The satisfaction of doing a particular work has been the motivating factor & that's why I did business after retirement, I know that I am not going to sit still tomorrow and this thought motivates me to work.

I'm going to do something worthwhile, which will of course help me with money, though money was not really a motivating factor. In fact, if I had negotiated well, I might have been earning more.

Q2: What was your first investment?

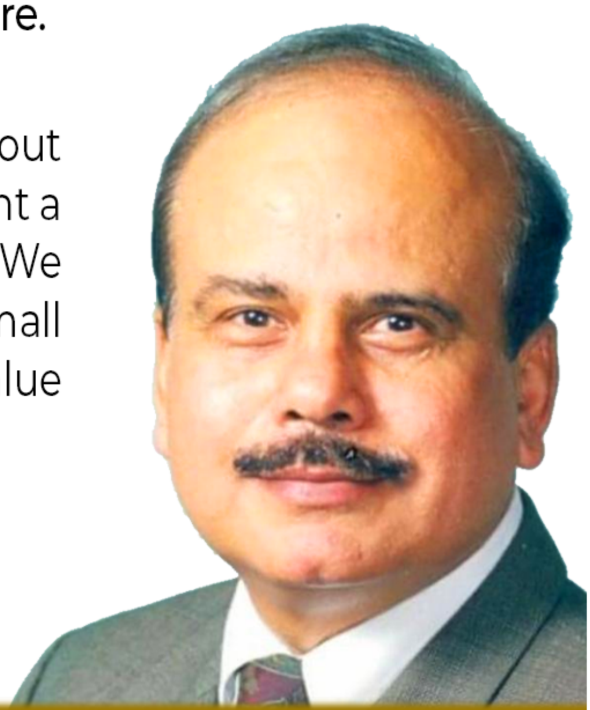
Mr. Kumar: I have been investing since I was about 45. My first investment was in 1992-1993. I bought a plot in faridabad at the suggestion of my friend. We have made 25-30 investments in total (large, small and very small), and I always believed that the value of property will definitely increase in future.

Q3: What's Your Go-to investment mantra?

Mr. Kumar: It should be steadiness and stability, to be honest, I look for steadiness and stability rather than returns at this age. I am optimistic to get returns as my life depends on it. I will be very happy if I get 8% to 12% percent of returns on my investments. I have a diversified portfolio which adds stability in my returns.

Q4: What is your take on cryptos and NFTs as an investment?

Mr. Kumar: Never! The gain in cryptocurrency was very unnatural and I do not want to be a part of any unnatural thing. My son always asked me to invest some money in crypto but I always used to explain to him....... That, better than investing cryptos I would prefer to donate money.



Mr. Sutendra Kumar

Retired Polymath

"In an exclusive interview with Opulence Wealth, Mr. Sutendra Kumar shared his best advice to new Investors & association with Opulence wealth."

Download the Opulence wealth app and stay connected so you can get through this complete audio interview.

Q5: Your first investment advice & by whom?

Mr. Kumar: I think the prerequisite is the biggest advice in itself. As I just told you buying a house was not advice it was all I needed. My father was about to retire and we needed a house, so I invested in the house.

Q6: If you'll get a chance for a coffee with the finance minister ...what favours are you going to ask/what suggestion are you going to give.....??

Mr. Kumar: Our finance minister is doing a very good job. If I get a chance to talk to her then, I will definitely ask to waive income tax for the senior citizens. So at dotage they can live their life comfortably & peacefully. That's one thing which I feel is necessary.

Q7: Any advice to young investors?

Mr. Kumar: Set your goals right and be patient with whatever goals you have set. You can also get your money lost at any time so, you must know your loss tolerance and invest accordingly. My professional advice for young people would be that- whenever you take an assignment, give your 100% to it. Don't look at selfishness.

Q8: What's your take on association with Opulence wealth ?

Mr. Kumar: The most basic thing about this association is trust and A lot of people ask me, why do I trust Opulence team so much?
And that's what I say every time *“this trust hasn't been broken for 12 years”.*
And I have no reason to distrust them. Sometimes their judgments can be wrong but it can happen to anyone, often my judgments have been wrong too, but I like their association very much.

Download the Opulence wealth app and stay connected so you can get through this complete audio interview.

CONTACT US

Details & More

This monsoon season
Watch the potholes before rain arrives &
*Take a quick **SIP***

Do you know anyone who could benefit from our services?
Your trust and REFERRALS are greatly appreciated!

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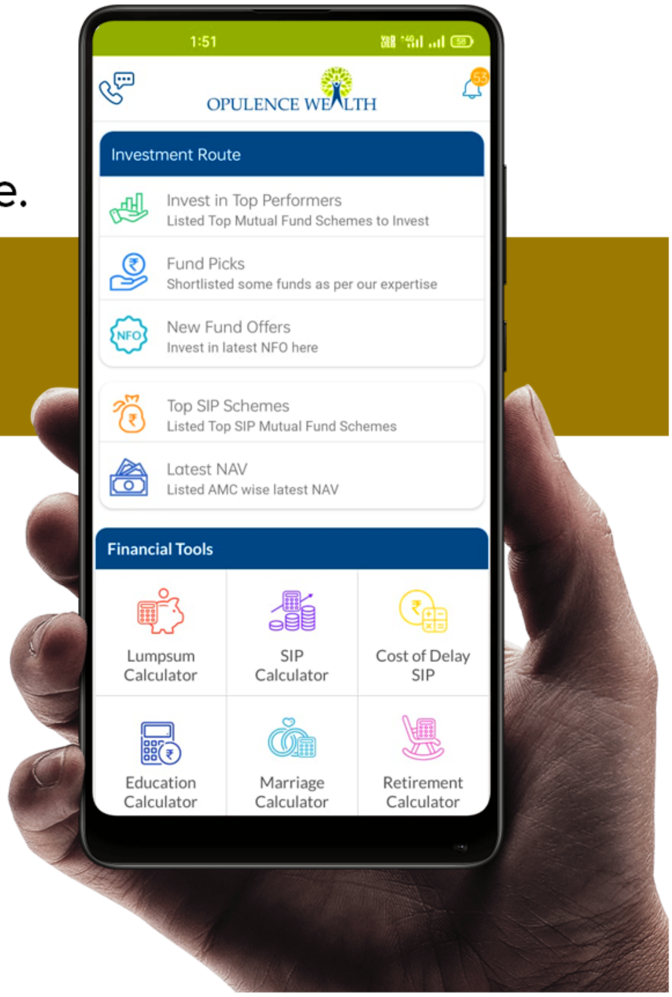

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